

# HOUSE BILL 811

C7

(7lr1647)

## ENROLLED BILL

— Ways and Means / Budget and Taxation —

Introduced by **Delegates Buckel, Beitzel, and McKay**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Allegany County and Prince George's County – ~~Gaming – Video Lottery~~**  
3 **~~Operation Licensee~~ Video Lottery Terminal Proceeds – Use of Local Impact**  
4 **Grants**

5 ~~FOR the purpose of altering the distribution of the proceeds of video lottery terminals~~  
6 ~~located in Allegany County if certain conditions are met; providing a certain~~  
7 ~~distribution from the proceeds of video lottery terminals to a certain licensee in~~  
8 ~~Allegany County to be used for certain purposes; altering the amount of proceeds of~~  
9 ~~video lottery terminals in Allegany County that are required to be used for certain~~  
10 ~~local impact grants; extending a certain distribution formula for the proceeds of video~~  
11 ~~lottery terminals in Allegany County for a certain number for years; and generally~~  
12 ~~relating to the distribution of video lottery terminal proceeds in Allegany County.~~  
13 FOR the purpose of requiring that a certain percentage of the local impact grants  
14 distributed to Allegany County from certain proceeds of video lottery terminals be  
15 used for certain purposes; *requiring that a certain annual amount of the local impact*

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber / conference committee amendments.



1 grants distributed to Prince George's County from certain proceeds of video lottery  
 2 terminals be used in certain communities in the county; and generally relating to the  
 3 use of local impact grants from video lottery terminals in Allegany County and Prince  
 4 George's County.

5 ~~BY repealing and reenacting, without amendments,~~  
 6 ~~Article – State Government~~  
 7 ~~Section 9-1A-21(a)(2)~~  
 8 ~~Annotated Code of Maryland~~  
 9 ~~(2014 Replacement Volume and 2016 Supplement)~~

10 BY repealing and reenacting, with amendments,  
 11 Article – State Government  
 12 Section ~~9-1A-27(a)(7), (8), and (9) and (e) 9-1A-31(b)(2) and (4)~~  
 13 Annotated Code of Maryland  
 14 (2014 Replacement Volume and 2016 Supplement)

15 ~~BY adding to~~  
 16 ~~Article – State Government~~  
 17 ~~Section 9-1A-27(a)(9)~~  
 18 ~~Annotated Code of Maryland~~  
 19 ~~(2014 Replacement Volume and 2016 Supplement)~~

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 21 That the Laws of Maryland read as follows:

22 **Article – State Government**

23 9-1A-31.

24 (b) (2) (I) [In] SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,  
 25 IN Allegany County, local impact grants provided under subsection (a)(3)(i) of this section  
 26 may be used:

27 [(i)] 1. for purposes listed in paragraph (1) of this subsection  
 28 throughout the county; and

29 [(ii)] 2. to pay down the debt incurred by the county in the  
 30 construction and related costs for the golf course, lodge, and other improvements in Rocky  
 31 Gap State Park.

32 (II) AT LEAST 20% OF THE LOCAL IMPACT GRANTS PROVIDED  
 33 UNDER SUBSECTION (A)(3)(I) OF THIS SECTION IN ALLEGANY COUNTY SHALL BE  
 34 USED FOR CAPITAL PROJECTS FOR MUNICIPALITIES AND NONPROFIT  
 35 ORGANIZATIONS IN THE COUNTY.

1           (4) (i) 1. Subject to [subparagraph (ii) of this paragraph]  
 2 SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, in Prince George's County, 40% of local  
 3 impact grants provided under this section shall be used to address infrastructure needs  
 4 related to Maryland Route 210 in Prince George's County.

5           [(ii)] 2. The amount of local impact grants used as provided in  
 6 [subparagraph (i) of this paragraph] SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH  
 7 may not exceed \$15,000,000 in a fiscal year.

8           [(iii)] 3. Prince George's County may be reimbursed by the State for  
 9 any money used as provided in this [paragraph] SUBPARAGRAPH.

10           (II) IN PRINCE GEORGE'S COUNTY, \$125,000 OF THE LOCAL  
 11 IMPACT GRANTS PROVIDED UNDER THIS SECTION SHALL BE PROVIDED ANNUALLY  
 12 TO BE USED IN COMMUNITIES WITHIN 2.5 MILES NORTHEAST OF THE VIDEO LOTTERY  
 13 FACILITY IN PRINCE GEORGE'S COUNTY.

14 ~~9-1A-21.~~

15           (a) (2) (i) ~~Except as provided in subparagraphs (ii) and (iii) of this~~  
 16 ~~paragraph, each video lottery terminal device and the associated equipment and software~~  
 17 ~~shall be owned or leased by the video lottery facility.~~

18           (ii) 1. ~~Subject to subsubparagraph 2 of this subparagraph, for a~~  
 19 ~~video lottery facility located in Allegany County or Worcester County, each video lottery~~  
 20 ~~terminal device and the associated equipment and software shall be owned or leased by the~~  
 21 ~~Commission.~~

22           2. ~~A video lottery facility located in Allegany County or~~  
 23 ~~Worcester County may apply to the Commission for permission to assume ownership or the~~  
 24 ~~right to lease each video lottery terminal device used by the facility.~~

25           (iii) ~~For a video lottery facility located in Anne Arundel County or~~  
 26 ~~Cecil County, the Commission shall own each video lottery terminal device and the~~  
 27 ~~associated equipment and software through March 31, 2015.~~

28 ~~9-1A-27.~~

29           (a) ~~Except as provided in subsections (b) and (c) of this section and~~  
 30 ~~§ 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the~~  
 31 ~~Commission, the Comptroller shall pay the following amounts from the proceeds of video~~  
 32 ~~lottery terminals at each video lottery facility:~~

33           (7) (i) ~~except as provided in [item] ITEMS (ii) AND (iii) of this item, 6%~~  
 34 ~~to the video lottery operation licensee if the video lottery operation licensee owns or leases~~  
 35 ~~each video lottery terminal device and the associated equipment and software; [and]~~

1 (ii) ~~8% to the video lottery operation licensee in Anne Arundel~~  
2 ~~County; AND~~

3 ~~(iii) 12% TO THE VIDEO LOTTERY OPERATION LICENSEE IN~~  
4 ~~ALLEGANY COUNTY IF THE VIDEO LOTTERY OPERATION LICENSEE ASSUMES~~  
5 ~~OWNERSHIP OR THE RIGHT TO LEASE EACH VIDEO LOTTERY TERMINAL DEVICE AND~~  
6 ~~THE ASSOCIATED EQUIPMENT AND SOFTWARE;~~

7 ~~(8) beginning after the issuance of a video lottery operation license for a~~  
8 ~~video lottery facility in Prince George's County, 8% to the video lottery operation licensee~~  
9 ~~in Anne Arundel County and 7% to the licensee in Baltimore City for:~~

10 ~~(i) marketing, advertising, and promotional costs required under §~~  
11 ~~9-1A-23 of this subtitle; and~~

12 ~~(ii) capital improvements at the video lottery facilities; [and]~~

13 ~~(9) 2% TO THE VIDEO LOTTERY OPERATION LICENSEE IN ALLEGANY~~  
14 ~~COUNTY FOR MARKETING, ADVERTISING, AND PROMOTIONAL COSTS REQUIRED~~  
15 ~~UNDER § 9-1A-23 OF THIS SUBTITLE; AND~~

16 ~~[(9)] (10) the remainder to the Education Trust Fund established under~~  
17 ~~§ 9-1A-30 of this subtitle.~~

18 ~~(e) (1) For the first [10] 15 years of operations at a video lottery facility in~~  
19 ~~Allegany County, on a properly approved transmittal prepared by the Commission, the~~  
20 ~~Comptroller shall pay the following amounts from the proceeds of video lottery terminals~~  
21 ~~at a video lottery facility in Allegany County:~~

22 ~~(i) 2% to the State Lottery and Gaming Control Agency for costs as~~  
23 ~~defined in § 9-1A-01 of this subtitle;~~

24 ~~(ii) to the video lottery operation licensee, the percentage stated in~~  
25 ~~the accepted application for the location, not to exceed 50%;~~

26 ~~(iii) [2.75%] 5.5% in local impact grants, in accordance with §~~  
27 ~~9-1A-31 of this subtitle;~~

28 ~~(iv) 2.5% to the Purse Dedication Account established under §~~  
29 ~~9-1A-28 of this subtitle;~~

30 ~~(v) 0.75% to the Small, Minority, and Women Owned Businesses~~  
31 ~~Account established under § 9-1A-35 of this subtitle; and~~

1                   ~~(vi) the remainder to the Education Trust Fund established under §~~  
2 ~~9-1A-30 of this subtitle.~~

3                   ~~(2) After the first [10] 15 years of operations at a video lottery facility in~~  
4 ~~Allegany County, the proceeds generated at the facility in Allegany County shall be~~  
5 ~~allocated as provided in subsections (a) and (b) of this section.~~

6                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
7 1, 2017.

Approved:

\_\_\_\_\_  
Governor.

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Speaker of the House of Delegates.

\_\_\_\_\_  
President of the Senate.